



**Town of Swampscott**  
**Finance Committee Meeting Minutes**  
 Tuesday, May 31<sup>st</sup>, 2022 - 7:00 PM  
 Virtual Meeting

**FINANCE COMMITTEE MEMBERS PRESENT**

Tim Dorsey (Chair), Naomi Dreeben, Eric Hartmann, Joan Hilario, Matthew Kirschner, Cinder McNerney, Erik Schneider.

**OTHER TOWN OFFICIALS PRESENT**

Michael McClung, Town Moderator; Peter Spellios, Select Board member, MaryEllen Fletcher, Select Board member; Sean Fitzgerald, Town Administrator; Amy Sarro, Director of Admin. & Finance; Patrick Luddy, Treasurer/Collector; Trang Vu, Assistant Town Accountant.

The meeting was called to order at 7:04 PM

**Public Comments**

MaryEllen Fletcher was recognized.

- She personally thought Finance Committee should not be supporting the additional requests for school project because it was not in the timely manner, and not a plan with some solid discipline.
- The Glover overlay from Winn Development should go to the Town or Affordable Housing Trust.

**Approval of Minutes**

Deferred to next meeting.

**Discussion of Special town meeting articles**

Patrick Luddy highlighted some future significant impacts of Town debt service regarding proposed land acquisitions.

Debt Service Projection - DRAFT  
 Town of Swampscott, MA  
 FY2023-FY2058

Category	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
Existing Debt Service	\$ 6,847,354	\$ 6,480,996	\$ 6,010,787	\$ 5,504,647	\$ 5,279,904	\$ 5,151,784	\$ 4,904,866	\$ 4,887,011	\$ 4,510,545	\$ 4,398,737	\$ 4,362,091	\$ 4,164,890
Land Acq. - Option 5		\$ 307,963	\$ 553,930	\$ 553,930	\$ 553,930	\$ 553,930	\$ 553,930	\$ 553,930	\$ 553,930	\$ 553,930	\$ 553,930	\$ 553,930
Middle School (D/E)					\$ 1,931,632	\$ 3,541,325	\$ 3,541,325	\$ 3,541,325	\$ 3,541,325	\$ 3,541,325	\$ 3,541,325	\$ 3,541,325
FY23 Capital		\$ 38,540	\$ 246,011	\$ 246,011	\$ 246,011	\$ 246,011	\$ 246,011	\$ 246,011	\$ 246,011	\$ 246,011	\$ 246,011	\$ 246,011
FY24 Capital			\$ 211,860	\$ 211,860	\$ 748,740	\$ 748,740	\$ 748,740	\$ 748,740	\$ 748,740	\$ 748,740	\$ 748,740	\$ 748,740
FY25 Capital				\$ 45,790	\$ 166,093	\$ 166,093	\$ 166,093	\$ 166,093	\$ 166,093	\$ 166,093	\$ 166,093	\$ 166,093
FY26 Capital					\$ 85,310	\$ 85,310	\$ 31,648	\$ 316,648	\$ 316,648	\$ 316,648	\$ 316,648	\$ 316,648
FY27 Capital					\$ 16,880	\$ 80,429	\$ 80,429	\$ 80,429	\$ 80,429	\$ 80,429	\$ 80,429	\$ 80,429
Notes Outstanding	\$ 68,713	\$ 211,294	\$ 211,294	\$ 211,294	\$ 211,294	\$ 211,294	\$ 211,294	\$ 211,294	\$ 211,294	\$ 211,294	\$ 211,294	\$ 211,294
Authorized, Unissued	\$ 34,318	\$ 89,964	\$ 109,997	\$ 109,997	\$ 109,997	\$ 109,997	\$ 109,997	\$ 109,997	\$ 109,997	\$ 109,997	\$ 109,997	\$ 109,997
Authorized, Unissued (excl)	\$ 100,000	\$ 100,000	\$ 254,083	\$ 254,083	\$ 254,083	\$ 254,083	\$ 254,083	\$ 254,083	\$ 254,083	\$ 254,083	\$ 254,083	\$ 254,083
<b>Total Debt Service</b>		<b>\$ 7,030,528</b>	<b>\$ 7,423,846</b>	<b>\$ 7,137,612</b>	<b>\$ 9,586,994</b>	<b>\$ 11,085,447</b>	<b>\$ 10,848,415</b>	<b>\$ 11,115,561</b>	<b>\$ 10,739,095</b>	<b>\$ 10,627,287</b>	<b>\$ 10,590,642</b>	<b>\$ 10,393,440</b>
<b>2.5% Growth - Debt Service</b>		<b>\$ 7,018,538</b>	<b>\$ 7,194,002</b>	<b>\$ 7,373,852</b>	<b>\$ 7,558,198</b>	<b>\$ 7,747,153</b>	<b>\$ 7,940,832</b>	<b>\$ 8,139,352</b>	<b>\$ 8,342,836</b>	<b>\$ 8,551,407</b>	<b>\$ 8,765,192</b>	<b>\$ 8,984,322</b>
<b>Var</b>		<b>\$ (11,990)</b>	<b>\$ (229,845)</b>	<b>\$ 236,240</b>	<b>\$ (2,028,796)</b>	<b>\$ (3,338,294)</b>	<b>\$ (2,907,584)</b>	<b>\$ (2,976,209)</b>	<b>\$ (2,396,259)</b>	<b>\$ (2,075,880)</b>	<b>\$ (1,825,449)</b>	<b>\$ (1,409,118)</b>

Cinder McNerney would like to see the back up of these numbers to know better predict if we should issue BAN or bond, kinds of bonds and years.

Matthew Kirschner asked if we are going to have a shortfall in 2027 and the options to remedy that. Patrick Luddy mentioned that it's not necessary a shortfall, but the large debt service for the middle school renovation. Sean Fitzgerald stressed that Capital improvement plan is not a budget.

Patrick Luddy responded to Cinder McNerney questions' that we are going to have \$33M in FY2026 and 27.5M in FY2027 debt exclusions. He mentioned that he used a MSBA reimbursement rate on the total project cost which was equivalent to what we got for our most recent projects.

Cinder McNerney would like to discuss carefully with Finance Committee and ask related questions before going forward with the land acquisition plan and Capital projects article to see if we need to push back or reduce some projects.

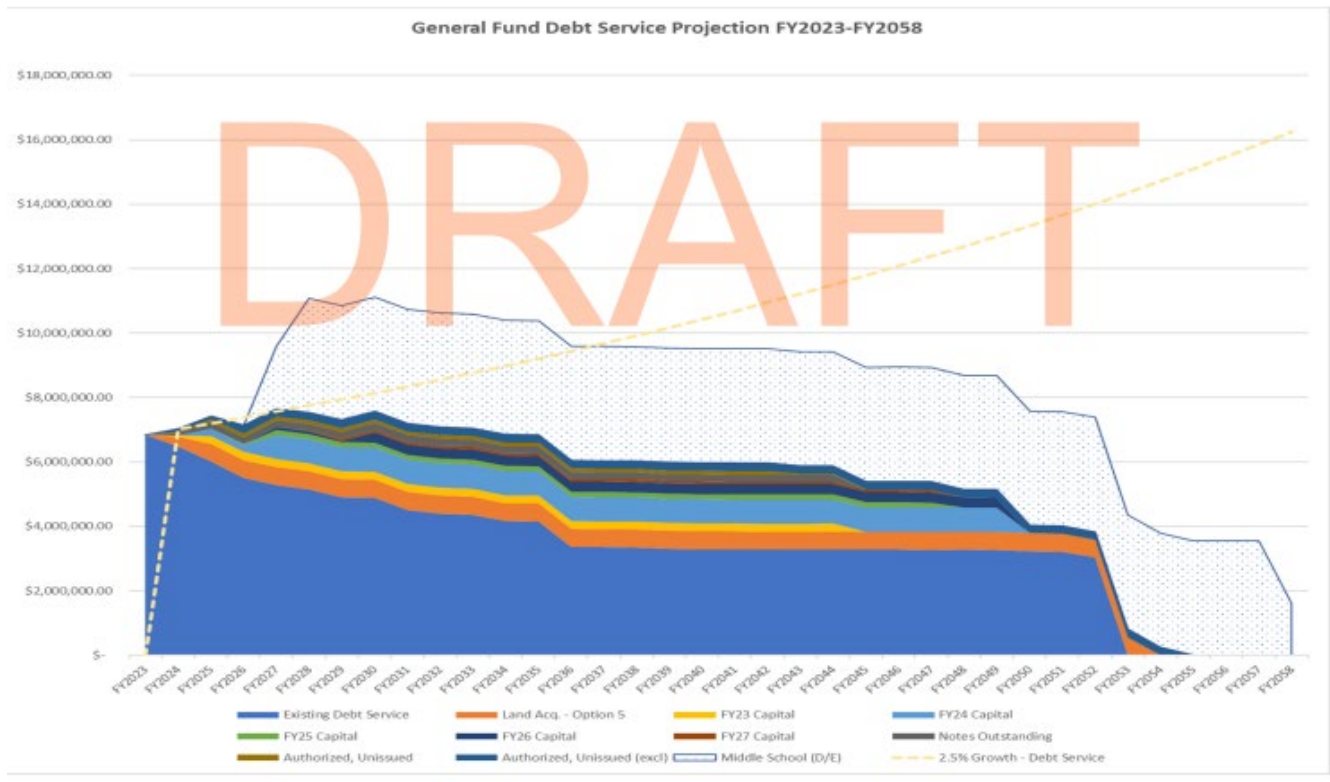
Tim Dorsey mentioned to have better understanding of Town debt service before making those decisions.

Sean Fitzgerald commented that he thinks we have a disciplined process with the Capital projects, and we have reached out to Federal and State officials to seek additional funds to help Swampscott with these projects.

There was a discussion about the use of Stabilization fund in Debt service (The chart discussed does not include the use of Stabilization fund and FY2022 capital projects).

Cinder McNerney asked if there is any ability from town's perspective to get the middle school hit when the elementary school drops with the use of Stabilization fund.

Patrick Luddy responded that it heavily depends on contributions to the fund over the next few years and the return on investments.



By looking at the chart for FY2023 capital projects, Tim Dorsey and Eric Hartmann thought it would only put minimal impact on the overall curves of the chart if we reduced the proposed amount for Street Paving to \$250,000.

Naomi Dreeben commented that she would feel comfortable keeping the proposed amount of \$465,000 for Street paving regarding the conditions of roads in town.

Cinder McNerney was concerned about the two new projects added to FY2023 capital projects and would like to have a better understanding about them.

Mr. Fitzgerald commented that making the investments will help us demonstrate our town's commitment to our Veterans in giving VFW the type of support to build some telehealth medicine. In terms of METCO room, he would love to have a place for students to spend after school, help define our character as a community,

Sean Fitzgerald responded to Matthew Kirschner's question about VFW that \$25,000 is mostly for fixtures and furnishing and will involve some technology; training will also be a big part of this amount. He commented that the Town council is going over the legal protocols for extending the lease for VFW and support more activities during the summer.

Select board member Peter Spellios commented that he is comfortable supporting Town Administrator in those 2 additional capital projects.

Cinder McNerney expressed her concerns about Town financial health in the future, stressed that it is worth to have deeper conversation about this before issuing more debts for land acquisition and capital projects. She would like the town to look at the motion language for Article 1 and make some adjustments other than just leaving it as a complete open space.

Erik Schneider commented that delaying Capital projects does not necessarily save money. He recommended that the Finance Committee should still look back at the proposed capital projects line by line and combine added information before we make a final decision.

Tim Dorsey mentioned that he would like to answer the questions on what our debt service looks like under these new conditions, consider any risks or problems associated with it out into the near future that would lead us to cut back in FY2023 before going line and line.

Matthew Kirschner asked historically how the town has performed in a recessionary period, the impact of recession on overall revenue collection. Patrick Luddy mentioned that the town has 10-year history built into our forecasts as far as a recession period. The collection of local receipts, excise tax, meals tax might be at risk but the majority sources of revenue, property taxes, would be secured. He gave an update on CIC would like to revamp the criteria in the ranking of Capital plan.

Cinder McNerney would like to see the total principal and interest that the town has paid in the last 20 years.

Patrick Luddy then walked the Finance Committee through some Special town meeting Article #2 Property Stats for discussion.

Article 2 Property Stats for discussion -

Glover Property (299 Salem)

Assessed Value: \$ 3,695,200  
Tax: \$ 585,729

The Landing

Assessed Value: \$ 65,356,800  
Tax: \$ 838,528  
per Unit (110 Units) \$ 7,623

Avg SF Home Tax Bill \$ 9,128  
Med SF Home Tax Bill \$ 7,567

Total Operating Appropriation \$ 68,010,257  
Population est. \$ 15,115  
Est Spend per Capita \$ 4,500

Redevelop 299 Salem

Appx. 45 Units (?)  
per unit (landing) x45 \$ 343,034.08  
less original assessed \$ (85,728.64)  
Hypothetical New Growth \$ 257,305.44

Tim Dorsey would like to hear from other members if we can do this project in a financially responsible and viable way given the financial condition of the town.

Cinder McNerney commented that she strongly thinks the Art#1 motion language should be revised and the town should determine, in the case Art#1 is supported, buy the property as an open space, or buy it and make decision about what we want to do with it.

Tim Dorsey confirmed with Erik Schneider that Article #1 and Article #2 are tied together.

Matthew Kirschner recommended that the Town should also look at and consider cost associated with the property rather than acquisition price such as building demolition, park construction, etc....

Sean Fitzgerald commented that he is optimistic about getting State and Federal grants for Hawthorn property because of its iconic and unique location.

Select board member Peter Spellios commented that demolition of the building should not be assumed, and we should treat that like an asset. He also strongly believed the Town can get State and Federal supports for kind of projects that are deemed a to be a priority for Town of Swampscott.

On **MOTION** (Eric Hartmann) and **SECONDED** (Cinder McNerney), it was **VOTED** to adjourn the meeting at 9:08 PM. **ROLL CALL:** Naomi Dreeben (YES), Matthew Kirschner (YES), Joan Hilario (YES), Suraj Krishnamurthi (YES), Erik Schneider (YES), Tim Dorsey (YES).

True Attest,

Trang Vu

Assistant Town Accountant

*Approved by vote of the finance committee 10/03/2022*